

COST EFFICIENCY STANDARDS IMPLEMENTATION PLAN

BACKGROUND

1. Cost efficiency standards will be established for each of the following performance indicators:
 - A. The ratio of passengers, as expressed in unlinked trips, to service area population.
 - B. The ratio of operating expenses to passengers, as expressed in unlinked trips.
 - C. The ratio of operating expenses to revenue hours.
 - D. The ratio of revenues to operating expenses.
 - E. The ratio of passengers, as expressed in unlinked trips, to revenue hours.
 - F. The ratio of revenue hours to service area population.
2. For purposes of establishing cost efficiency standards, transit systems are divided into the following peer groups:
 1. Milwaukee
 2. Madison
 3. Medium Bus Systems
 4. Small Bus Systems
 5. Commuter Bus Systems
 6. Shared-Ride Taxi Systems

STEP 1

Prepare tables for each of the performance indicators for each of the peer groups.

For the Milwaukee, Madison, and the Medium Bus Systems, peer groups of similar sized transit systems with similar operating characteristics external to the state will be developed to establish the cost efficiency standards. For each of these groups, the transit systems used to establish the peer group will be those used in the most recent management performance audit. Data used for these transit systems will be the most recent available from the National Transit Database.

For Small Bus, Commuter Bus, and Shared-Ride Taxi systems, standards shall be established using data from only in-state systems. Data used shall be from the preceding calendar year.

For all peer groups, standards will be established for each of the six performance indicators by using a standard deviation. Systems that are within one standard deviation

of the arithmetic mean shall be judged as in compliance with the standard for the measure. Systems that meet the standards for 4 of the 6 performance measures shall be deemed in compliance with the cost-efficiency standards.

STEP 2

For those systems not in compliance with the cost efficiency standard after completion of Step 1, prepare tables showing a time-trend analysis of each of the six performance measures over the most recent five-year period. Systems showing improvement in measures in which they did not meet the standards in Step 1 will be deemed in compliance with the cost efficiency standards if when added to the number of measures they were in compliance with in Step 1 the total is 4 or more.

STEP 3

For those systems still not in compliance after completion of Steps 1 and 2, assess the implementation status of recommendations made in the system's most recently completed management performance audit. A system which has made significant progress in implementing the majority of recommendations targeted at improving efficiency shall be deemed in compliance with the cost efficiency standards. At this time, WISDOT shall notify all transit systems of their status relative to compliance with the cost efficiency standards.

STEP 4

If any transit systems remain out of compliance after completion of Steps 1 through 3, one of the following actions will be taken:

- A. If management performance audit recommendations have not been implemented, WISDOT shall provide technical assistance to aid in the implementation of the recommendations. If consultant services are necessary, the transit system shall pay the nonfederal share of the costs.
- B. If a management performance audit has not been conducted within the last three years, WISDOT shall schedule an audit as soon as possible.

PENALTY

Systems deemed out of compliance with the cost efficiency standards as outlined above will be given a three year period of time in which to comply before being assessed a revenue penalty. After three years of non-compliance, a 10% revenue penalty shall be imposed, which will limit state aids to 90% of the state aid the system would have been entitled to if it were in compliance. The penalty remains in effect until the system comes into compliance.

SUMMARY RESULTS STEP ONE ANALYSIS

The following eight transit systems failed to meet the performance standards in two or more performance measures. The compliance, at this stage, is defined as meeting the standard for three of the six cost efficiency measures.

Efficiency			Effectiveness		
Expense/Revenue Hour	Operating Ratio	Cost/Passenger	Passengers/Revenue Hour	Passengers/Capita	Revenue Hours/Capita
<i>Small Buses</i>					
			Bay Area Rural	Bay Area Rural	Bay Area Rural
<i>Shared Ride Taxis</i>					
	Clintonville	Clintonville	Clintonville		
		Edgerton	Edgerton	Edgerton	
	Grant Co.			Grant Co.	Grant Co.
	New Richmond	New Richmond	New Richmond		
	Ozaukee Co.	Ozaukee Co.	Ozaukee Co.	Ozaukee Co.	
		Plover	Plover	Plover	
	Washington Co.	Washington Co.	Washington Co.	Washington Co.	Washington Co.

Summary Results for Step Two Analysis

Performance Over Past 5 Years (1997-2001)/Five Year Trend Analysis

	Expense/Revenue Hour	Operating Ratio	Cost/Passenger	Passengers/Revenue Hour	Passengers/Capita	Revenue Hours/Capita	Number of areas out of compliance	Number of areas out of compliance that show improvement	Final number of areas out of compliance	System pass/fail
Bay Area Rural	In Compliance	In Compliance	In Compliance	No Improvement	Improvement	No Improvement	3	1	2	Pass
Clintonville	In Compliance	No Improvement	No Improvement	No Improvement	In Compliance	In Compliance	3	0	3	Fail
Edgerton	In Compliance	In Compliance	No Improvement	Improvement	No Improvement	In Compliance	3	1	2	Pass
Grant Co.	In Compliance	Improvement	In Compliance	In Compliance	Improvement	No Improvement	3	2	1	Pass
New Richmond	In Compliance	Improvement	No Improvement	Improvement	In Compliance	In Compliance	3	2	1	Pass
Ozaukee Co.	In Compliance	Improvement	Improvement	Improvement	Improvement	In Compliance	4	4	0	Pass
Plover	In Compliance	In Compliance	Improvement	Improvement	Improvement	In Compliance	3	3	0	Pass
Washington Co.	In Compliance	Improvement	Improvement	Improvement	Improvement	Improvement	5	5	0	Pass

Shading indicates areas where system was out of compliance after Step 1 analysis.

PERFORMANCE STANDARDS **MEDIUM BUS EXTERNAL PEER GROUP SUMMARY**

Performance Measure	Data	Mean	Standard Deviation
Cost/Hour	2001	\$57.44	\$10.21
Operating Ratio	2001	21.13%	15.01%
Cost/Passenger	2001	\$3.09	\$0.93
Passenger/Hour	2001	20.08	6.27
Passenger/Capita	2001	13.77	8.92
Hours/Capita	2001	0.66	0.25

Performance Parameters
+/- One Standard Deviation

\$47.23	\$67.65
6.12%	36.13%
\$2.16	\$4.02
13.82	26.35
4.85	22.69
0.41	0.90

*Shading denotes system outside of the St. Dev.

Medium Bus	Expense/ Revenue Hour	Operating Ratio	Cost/ Passenger	Passengers/ Revenue Hour	Passengers/ Capita	Revenue Hours/ Capita
Apple-Valley Transit	\$ 59.88	13.02%	\$ 3.80	15.77	6.46	0.41
Beloit-BTS	\$ 70.35	17.87%	\$ 4.79	14.69	7.34	0.50
Eau Claire-ECTS	\$ 50.23	24.65%	\$ 2.27	22.13	14.83	0.67
Green Bay-GBT	\$ 57.66	16.60%	\$ 2.85	20.26	10.03	0.50
Janesville-JTS	\$ 63.96	18.90%	\$ 3.86	16.56	9.19	0.56
Kenosha-KT	\$ 55.98	11.71%	\$ 2.19	25.58	20.64	0.81
LaCrosse Municipal Transit	\$ 50.69	10.48%	\$ 2.97	17.07	12.32	0.72
Oshkosh-OTS	\$ 51.66	13.05%	\$ 2.49	20.78	14.97	0.72
Racine-Belle Urban System	\$ 52.50	22.32%	\$ 2.70	19.44	16.08	0.83
Sheboygan-STS	\$ 52.43	19.34%	\$ 4.51	11.62	11.71	1.01
Waukesha - WTC	\$ 45.73	17.20%	\$ 3.66	12.50	12.11	0.97
Wausau - WATS	\$ 58.47	15.02%	\$ 2.76	21.22	14.05	0.66
Greely-The Bus	\$ 48.48	17.45%	\$ 3.23	15.00	5.88	0.39
Dubuque - City of	n/a	11.26%	n/a	n/a	n/a	n/a
Iowa City Transit	\$ 60.70	22.86%	\$ 2.08	29.22	18.42	0.63
Boise Urban Stages	\$ 61.37	16.76%	\$ 3.97	15.47	6.59	0.43
Decatur-DPTS	\$ 66.84	9.47%	\$ 3.28	20.40	8.59	0.42
Bloomington-BPT	\$ 40.97	27.64%	\$ 1.53	26.83	27.03	1.01
Evansville-METS	\$ 46.17	23.64%	\$ 3.04	15.21	7.16	0.47
Muncie-MITS	\$ 60.99	8.37%	\$ 2.95	20.71	14.89	0.72
Battle Creek-BCT	\$ 66.51	18.73%	\$ 3.51	18.97	7.29	0.38
Bay City-BMTA	\$ 61.47	16.72%	\$ 5.99	10.27	6.93	0.67
Jackson-JTA	\$ 53.98	87.03%	\$ 2.40	22.45	7.50	0.33
Kalamazoo-KMTS	\$ 60.22	14.15%	\$ 2.90	20.75	14.15	0.68
Muskegon Area Transit	\$ 52.30	16.62%	\$ 3.77	13.86	4.29	0.31
St. Cloud - SCMT	\$ 51.61	26.37%	\$ 2.24	23.01	19.68	0.86
Springfield-SU	\$ 61.94	12.57%	\$ 3.16	19.60	8.47	0.43
Missoula-MUT	\$ 49.33	18.66%	\$ 2.78	17.72	12.24	0.69
Broome County	\$ 53.71	32.80%	\$ 1.41	38.17	23.71	0.62
Utica-UTA	\$ 42.18	31.65%	\$ 2.98	14.15	6.99	0.49
Salem-SAMTD	\$ 82.90	15.13%	\$ 2.96	27.98	28.15	1.01
Erie-EMTA	\$ 58.97	58.02%	\$ 2.80	21.04	13.84	0.66
Bellingham-WTA	\$ 87.90	11.14%	\$ 2.57	34.22	49.17	1.44
GROUP MEAN AVERAGE:	\$57.44	21.13%	\$3.09	20.08	13.77	0.66

PERFORMANCE STANDARDS
SMALL BUS SUMMARY

Performance Measure	Data	Mean	Standard Deviation
Cost/Hour	2001	\$43.87	\$8.04
Operating Ratio	2001	11.35%	4.30%
Cost/Passenger	2001	\$9.96	\$3.83
Passenger/Hour	2001	6.22	2.77
Passenger/Capita	2001	4.78	2.24
Hours/Capita	2001	0.80	0.42

Performance Parameters

+/- One Standard Deviation

\$35.83	\$51.91
7.05%	15.64%
\$6.12	\$13.79
3.45	9.00
2.54	7.02
0.38	1.22

*Shading denotes system
outside of the St. Dev.

	Expense/ Revenue Hour	Operating Ratio	Cost/ Passenger	Passengers/ Revenue Hour	Passengers/ Capita	Revenue Hours/ Capita
Small Bus						
Bay Area Rural	\$43.15	8.59%	11.64	3.19	1.05	0.33
Fond du Lac	\$37.97	11.84%	8.45	5.78	5.50	0.95
Ladysmith	\$36.06	11.90%	8.41	4.51	7.85	1.74
Manitowoc	\$59.11	8.49%	11.78	11.40	6.17	0.54
Merrill	\$50.37	20.12%	4.97	8.94	6.49	0.73
Monona	\$36.53	13.11%	7.63	3.51	2.38	0.68
Rice Lake	\$40.18	5.63%	17.75	6.35	4.80	0.76
Stevens Point	\$47.63	11.09%	9.02	6.08	3.98	0.65
GROUP MEAN AVERAGE:	\$ 43.87	11.35%	\$9.96	6.22	4.78	0.80

PERFORMANCE STANDARDS
SHARED RIDE TAXI SUMMARY

Performance Measure	Data	Mean	Standard Deviation
Cost/Hour	2001	\$21.31	\$4.18
Operating Ratio	2001	29.00%	9.08%
Cost/Passenger	2001	\$7.65	\$3.26
Passenger/Hour	2001	3.12	0.97
Passenger/Capita	2001	4.07	2.75
Hours/Capita	2001	1.27	0.76

Performance Parameters

+/- One Standard Deviation

\$17.13	\$25.49
19.91%	38.08%
\$4.39	\$10.90
2.15	4.09
1.32	6.82
0.50	2.03

*Shading denotes system outside of the St. Dev.

Shared-Ride Taxi	Expense/ Revenue Hour	Operating Ratio	Cost/ Passenger	Passengers/ Revenue Hour	Passengers/ Capita	Revenue Hours/ Capita
Baraboo	\$22.47	46.93%	6.96	3.23	3.97	1.23
Beaver Dam	\$17.22	35.05%	5.07	3.40	7.65	2.25
Berlin	\$21.14	26.83%	5.64	3.75	5.52	1.47
Black River Falls	\$27.12	33.45%	7.10	3.82	8.99	2.35
Chippewa Falls	\$18.72	35.21%	4.63	4.05	4.49	1.11
Clintonville	\$21.62	16.71%	11.63	1.86	1.91	1.03
Edgerton	\$19.00	21.52%	13.41	1.42	0.88	0.62
Fort Atkinson	\$19.49	31.03%	5.74	3.39	4.30	1.27
Grant Co.	\$20.96	19.02%	5.62	3.73	0.79	0.21
Hartford	\$26.99	27.30%	6.18	4.37	1.91	0.44
Jefferson	\$19.39	28.36%	6.27	3.09	2.79	0.90
Lake Mills	\$19.33	20.07%	8.58	2.25	1.79	0.79
Marinette	\$26.47	24.01%	7.67	3.45	2.91	0.84
Marshfield	\$18.29	37.07%	4.80	3.81	4.77	1.25
Mauston	\$21.03	40.80%	6.12	3.44	7.30	2.13
Medford	\$31.38	20.58%	8.48	3.70	2.53	0.68
Monroe	\$21.40	35.63%	4.65	4.60	5.22	1.14
Neillsville	\$17.87	18.36%	8.54	2.09	4.59	2.19
New Richmond	\$22.73	17.00%	14.02	1.62	1.16	0.71
Onalaska	\$21.10	24.63%	9.99	2.11	1.16	0.55
Ozaukee Co.	\$23.36	12.73%	18.32	1.27	0.62	0.49
Platteville	\$12.59	32.62%	6.12	2.06	1.97	0.96
Plover	\$18.92	23.93%	11.74	1.61	1.02	0.64
Port Washington	\$24.12	25.17%	6.29	3.83	2.22	0.58
Portage	\$23.28	41.95%	6.19	3.76	12.75	3.39
Prairie Du Chien	\$19.20	30.38%	6.44	2.98	4.33	1.45
Prairie Du Sac	\$36.28	11.80%	11.86	3.06	8.78	2.87
Reedsburg	\$22.86	35.39%	5.01	4.56	5.91	1.30
Rhineland	\$15.95	45.25%	7.56	2.11	6.58	3.12
Ripon	\$24.08	23.11%	7.65	3.15	4.52	1.43
River Falls	\$22.80	22.38%	7.96	2.86	1.85	0.65
Shawano	\$15.95	47.43%	4.24	3.76	4.27	1.13
Stoughton	\$23.82	34.19%	5.49	4.34	3.09	0.71
Sun Prairie	\$21.76	31.48%	6.09	3.57	2.81	0.79
Viroqua	\$17.12	36.75%	4.02	4.26	8.30	1.95
Washington County	\$18.62	17.18%	14.99	1.24	0.44	0.36
Watertown	\$19.28	35.73%	4.40	4.39	6.20	1.41
Waupaca	\$20.09	36.93%	5.63	3.57	6.55	1.83
Waupun	n/a	n/a	n/a	n/a	n/a	n/a
West Bend	\$19.43	25.79%	5.30	3.66	4.77	1.30
Whitewater	\$19.26	27.78%	7.29	2.64	1.46	0.55
Wis Rapids	\$21.15	31.33%	9.93	2.13	3.85	1.81
GROUP MEAN AVERAGE:	\$21.31	29.00%	\$7.65	3.12	4.07	1.27

PERFORMANCE STANDARDS
MILWAUKEE CO EXTERNAL PEER GROUP SUMMARY

Performance Measure	Data	Mean	Standard Deviation
Cost/Hour	2001	\$88.46	\$15.64
Operating Ratio	2001	24.45%	6.73%
Cost/Passenger	2001	\$2.99	\$0.62
Passenger/Hour	2001	30.36	6.38
Passenger/Capita	2001	25.49	14.05
Hours/Capita	2001	0.82	0.38

Performance Parameters

+/- One Standard Deviation

\$72.82	\$104.10
17.72%	31.19%
\$2.37	\$3.61
23.98	36.75
11.45	39.54
0.45	1.20

*Shading denotes system.
outside of the St. Dev.

MCTS Peer Group	Expense/ Revenue Hour	Operating Ratio	Cost/ Passenger	Passengers/ Revenue Hour	Passengers/ Capita	Revenue Hours/ Capita
Milwaukee-County	\$74.66	34.81%	1.63	45.81	57.19	1.25
Oakland-ACCTD	\$101.01	24.87%	2.79	36.26	19.51	0.54
Denver-RTD	\$83.31	21.83%	2.93	28.48	46.42	1.63
Indianapolis-IPT	\$64.37	23.69%	2.71	23.75	11.38	0.48
Louisville-TARC	\$67.52	15.28%	2.50	26.97	21.41	0.79
Detroit-D-DOT	\$112.01	14.60%	4.11	27.23	11.15	0.41
Minneapolis-St. Paul-MT	\$100.78	36.10%	2.53	39.87	35.27	0.88
Kansas City-KCATA	\$85.13	16.76%	3.27	26.01	11.87	0.46
St. Louis-Bi-State	\$91.31	29.11%	3.15	28.98	18.60	0.64
Cincinnati-SORTA	\$72.09	30.76%	2.54	28.38	20.46	0.72
Cleveland-RTA	\$93.05	25.39%	3.62	25.72	28.08	1.09
Columbus-COTA	\$89.15	20.66%	3.66	24.36	19.45	0.80
Pittsburgh-PAA	\$87.83	27.53%	3.01	29.21	39.33	1.35
Providence-RIPTA	\$116.23	20.96%	3.41	34.08	16.80	0.49
GROUP MEAN AVERAGE:	\$88.46	24.45%	\$2.99	30.36	25.49	0.82

PERFORMANCE STANDARDS
MADISON METRO EXTERNAL PEER GROUP SUMMARY

Performance Measure	Data	Mean	Standard Deviation
Cost/Hour	2001	\$73.95	\$14.09
Operating Ratio	2001	29.54%	9.95%
Cost/Passenger	2001	\$2.85	\$0.65
Passenger/Hour	2001	27.24	7.53
Passenger/Capita	2001	20.82	10.50
Hours/Capita	2001	0.77	0.36

<u>Performance Parameters</u> +/- One Standard Deviation	
\$59.85	\$88.04
19.59%	39.49%
\$2.20	\$3.51
19.71	34.76
10.32	31.32
0.41	1.12

*Shading denotes system outside of the St. Dev.

Madison Metro Peer Group	Expense/ Revenue Hour	Operating Ratio	Cost/ Passenger	Passengers/ Revenue Hour	Passengers/ Capita	Revenue Hours/ Capita
Madison-MMT	\$76.71	23.65%	2.80	27.35	41.79	1.53
Hartford-CT Transit	\$71.09	32.78%	2.06	34.58	30.84	0.89
Des Moines-Metro	\$62.67	45.50%	2.49	25.13	12.63	0.50
Indianapolis-IPT	\$64.37	23.69%	2.71	23.75	11.38	0.48
Lansing-CATA	\$82.13	13.91%	2.21	37.19	29.76	0.80
Omaha-OTA	\$52.59	29.14%	3.80	13.85	6.93	0.50
Albany-CDTA	\$66.94	27.57%	3.06	21.89	22.83	1.04
Rochester-RGRTA	\$75.97	45.36%	2.91	26.11	19.61	0.75
Syracuse-CNY Centro	\$77.86	33.15%	2.37	32.86	7.00	0.21
Dayton-MVRTA	\$75.22	16.96%	2.98	25.20	23.57	0.94
Harrisburg-CAT	\$65.55	33.38%	4.07	16.09	6.45	0.40
Providence-RIPTA	\$116.23	20.96%	3.41	34.08	16.80	0.49
Richmond-GRT	\$66.24	36.19%	1.61	41.18	25.66	0.62
Spokane-STA	\$76.10	19.33%	3.06	24.88	30.00	1.21
Tacoma-Pierce Transit	\$79.53	41.58%	3.26	24.40	27.12	1.11
GROUP MEAN AVERAGE:	\$73.95	29.54%	\$2.85	27.24	20.82	0.77

PERFORMANCE STANDARDS
COMMUTER BUS EXTERNAL PEER GROUP SUMMARY

Performance Measure	Data	Mean	Standard Deviation
Cost/Hour	2001	\$86.70	\$23.26
Operating Ratio	2001	18.18%	4.61%
Cost/Passenger	2001	\$10.08	\$4.16
Passenger/Hour	2001	86.70	23.26
Passenger/Capita	2001	1.01	0.50
Hours/Capita	2001	0.76	0.66

Performance Parameters
+/- One Standard Deviation

\$63.44	\$109.95
13.58%	22.79%
\$5.92	\$14.24
63.44	109.95
0.51	1.51
0.10	1.42

*Shading denotes system
outside of the St. Dev.

Commuter Bus	Expense/ Revenue Hour	Operating Ratio	Cost/ Passenger	Passengers/ Revenue Hour	Passengers/ Capita	Revenue Hours/ Capita
Ozaukee Co.	\$101.35	14.86%	\$9.79	101.35	1.11	0.11
Racine Com.	\$105.17	18.81%	\$15.89	105.17	0.47	0.47
Washington Co.	\$54.04	14.60%	\$8.54	54.04	0.79	0.79
Waukesha Co.	\$86.23	24.46%	\$6.11	86.23	1.65	1.65
GROUP MEAN AVERAGE:	\$86.70	18.18%	\$10.08	86.70	1.01	0.76